FOR MYSORE STATE

Public Works (1953) Department.

M/s SERIES.

G.O. No. 3605

Dated 3-9-1953

[Despatch Abstract.]

Contracts - Earnest Money and Security Deposit Refund of - Instructions - issue

(Abstract)

CONTRACTS - Earnest money and Security Deposit - Refund of - Instructions issued.

PUBLIC WORKS DEPARTMENT.

G.O.Ms.No. 3505. Dated the 3rd September, 1953.
Read the following:-

Government Memorandum No.46093 C/52-6, P.W. dated 9-3-53.
From the Chief Engineer, Public Works Department (General and Buildings) letter No.8510 A3/50-7, dated 20-4-1953.
From the Accountant-General, No.[illegible].15-13-02/47-53, dated May, 1953.

ORDER:

In June 1952, the Chief Engineer, Public Works Department (General and Buildings) raised the issue whether the security deposit and the withheld (or retention) amount should be refunded only after the payment of the final bill and not earlier though the work might have been completed long ago and the observation period might also be over. As the Accountant General considered that there was no necessity to amend the existing rules in this regard, the Chief Engineer was informed accordingly in the Memorandum cited.

2. The Chief Engineer has now requested a reconsideration of the issue on the ground that from the legal point of view the contract should be held to be duly fulfilled when the contractor has executed his part of the contract and that he is, therefore, eligible for all the amounts due to him as soon as he has completed the work and the six months observation period is also over. He has stated that final bills are often held up by correspondence between officers of the department itself for clearing up petty discrepancies etc. for which contractors are not responsible.

3. The Government have again consulted the Accountant-General and they agree with him that the crux of the problem is to eliminate delay in the payment of the final bill and to see that the final bill is paid as early as possible after the completion of the work. There, however, it is found not possible to settle the claim of the contractor and to pay the final bill within the six months period of observation, the security deposit may be refunded before the payment of the final bills, with the special sanction of the Chief Engineer, Public Works Department (General and Buildings) who, while according sanction should review the causes for the delay in the payment of the final bill.

(BY ORDER OF THE GOVERNOR)

T.[illegible].SAMI,
Secretary to Government.

To the Chief Engineer, P.W.D. (General and Buildings)
To the Accountant-General, through Finance.
Copy to Sri A.Balakrishnan, Accountant-General, Madras.
To the Accountant-General (2 copies)
Copy to Andhra State.
Copy to Mysore State.

TRUE COPY/FORWARDED BY ORDER.

Superintendent.

ktr.s.o.